

Transportation

**Link to Department of Transportation
Organizational Chart**

TRANSPORTATION

Mission Transportation

To improve the quality of life for the citizens of King County by providing mobility in a way that protects the environment, helps to manage growth and reduces traffic congestion.

ISSUES AND PRIORITIES

The King County Department of Transportation's (DOT) 2006 Executive Proposed Budget reflects a continuing need to address the transportation priorities of King County efficiently and economically within funding constraints. This has required prudent financial management on the part of all DOT divisions in order to preserve services to the community.

For 2006, the DOT Director's Office will focus efforts on improving DOT's preparedness to respond to emergencies. The Roads Division is emphasizing strategies to preserve and enhance existing road capacity while continuing to face revenue constraints. The King County International Airport continues to maintain basic operations in the face of declining revenues. The Transit Division will offer expanded bus service to the eastern and southern parts of King County thanks in part to rebounding sales tax revenues, but also struggles to absorb the costs of the recent unprecedented increases in the price per gallon of diesel fuel and gasoline. Sound financial management by the Transit Division will allow the agency to delay seeking a fee increase until 2008.

The Director's Office will continue to provide leadership, advocacy and support for the Department, its customers and the community. The DOT Director's Office will work in 2006 to improve DOT's preparedness to respond to emergencies.

The Transit Division expects to continue seeing increases in ridership in 2006. With the economic recovery and the increased cost of gasoline, boardings on Metro Transit grew by 2.1% in 2004 after three years of declines or no growth. Given current economic assumptions, Transit expects to see continued modest gains in ridership as a result of regional employment growth and increasing gasoline prices. Transit forecasts ridership growth of about 1.6% in 2005, 2.0% in 2006, and 1.2% in 2007.

In recent years, Transit has not had the resources to add and sustain increased service levels. In 2006, despite the impact of increasing costs, particularly diesel fuel, Transit has been able to fund 17,800 more bus hours than anticipated last year. This is made possible through continually reviewing costs and controlling those costs that Transit is able to control. The implementation of these new hours will be consistent with the policies adopted in the Six-year Service Plan (2002-2007). Despite the service expansion projected for 2006, Transit is not expecting to reach the service levels noted in the Six-year Service Plan until 2015. This is largely due to the long-term effects of the recent recession and current price increases associated with items like diesel fuel and benefits. Diesel fuel costs for 2006 are anticipated to increase 58% over 2004 levels, and 2004 prices represented a 32% increase above 2003 levels.

Transit expects the cost of diesel fuel will continue to increase in the near term, averaging \$2.20 per gallon in 2006. Gasoline prices are expected to average \$2.25 per gallon. In addition, increased worker's compensation, health care and retirement costs have resulted in increases that outpace inflation. Transit has taken steps to contain costs that are within its control in an effort to delay the time when a fare increase is required to sustain existing service levels. Because fare revenue has not kept pace with increasing costs, Transit continues to experience a decline in the ratio of operating revenue to operating expenses. In 2006, a 21.4% ratio is anticipated, well below the established target of 25%. Transit has not had a fare increase since 2001 and does not anticipate seeking an increase until 2008.

While Transit has been able to do this without reducing service, it has limited the amount of service that can be added to the system.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Road Services Division strives to increase mobility through arterial networks, bridge rehabilitation, and corridor system improvements while ensuring the preservation of the existing transportation system.

The 2006 Executive Proposed Budget for the Road Services Division focuses on their core businesses of protecting the current road infrastructure, improving traffic and arterial use efficiencies, and focusing on environmental initiatives. In addition, the 2006 Executive Proposed Budget responds to the \$3.2 million revenue loss due to the anticipated annexations of Klahanie and South Cove to the City of Issaquah.

King County International Airport (KCIA) supports the economic vitality of the County, the National Air Transportation System, and provides safe and continuous general aviation airport services.

The KCIA 2006 Proposed Operating Budget assumes that operations in 2006 will remain essentially the same as for 2005. The budget does not include any redevelopment proposals or major changes in operating structure, including the provision of Airport Rescue and Fire Fighting (ARFF) services. In order to keep pace with increased costs of basic operations, KCIA is proposing fee increases consistent with rates and charges at other comparable airports in the area. The Airport is also anticipating increases in lease revenues for non-Boeing leases. However, due to runway repair at the Airport, certain fee revenues will decrease, causing total Airport revenues to drop slightly from 2005. The Airport is anticipating a reversal of this revenue decline in 2007, once the runway repairs are complete.

Fleet Administration will continue to provide quality and responsive vehicle services, parts, road materials and supplies at competitive cost to customers.

As its customers contend with change dynamics in the form of financial resource limitations, Fleet Administration continues to assist in the management of fleet costs. In 2006, Fleet is challenged to minimize the customer rate impact amidst rising fuel costs and an increase in debt service resulting from the Motor Pool Shop and Personal Property Surplus move to the Orcas Street location

PHYSICAL ENVIRONMENT PROGRAM PLAN

DOT Director's Office 4640/5010M

Code/	Item	Description	Expenditures	FTEs *	TLTs	
Program Area			2005 Adopted	4,843,533	33.00	3.00
PE			Status Quo **	305,827	0.00	0.00
			Status Quo Budget	5,149,360	33.00	3.00
Council Change						
CC39		Increase Cola Increment by 1.21% to 4.66%	37,277	0.00	0.00	
			37,277	0.00	0.00	
Security and Emergency Response						
RB01		Emergency Preparedness TLT	91,543	0.00	1.00	
			91,543	0.00	1.00	
Technical Adjustment						
RB08		Loan Out Labor Adjustments	(7,627)	0.00	0.00	
TA01		Technical Adjustments	(17,632)	0.00	(1.00)	
TA03		Revenue Adjustments	0	0.00	0.00	
CR01		Flexible Benefits	(26,784)	0.00	0.00	
CR05		Current Expense Overhead Adjustment	48,280	0.00	0.00	
CR06		Healthy Workplace Fund	900	0.00	0.00	
CR08		Technology Services Infrastructure Charge	(1,396)	0.00	0.00	
CR09		Geographic Information Systems Charge	19,093	0.00	0.00	
CR13		Motor Pool Usage Charge	(1,616)	0.00	0.00	
CR20		Prosecuting Attorney Civil Division Charge	(118,577)	0.00	0.00	
CR22		Long Term Leases	(52,015)	0.00	0.00	
CR36		Property Services Lease Administration Fee	299	0.00	0.00	
CR39		COLA Adjustment	33,863	0.00	0.00	
CR40		Merit Adjustment	(254)	0.00	0.00	
CR46		Countywide Strategic Technology Projects	2,022	0.00	0.00	
			(121,444)	0.00	(1.00)	
			2006 Adopted Budget	5,156,736	33.00	3.00
			% Change over Adopted	6.47%		

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

PHYSICAL ENVIRONMENT PROGRAM PLAN

P R O G R A M H I G H L I G H T S

Director's Office

The DOT Director's Office will continue in 2006 to provide Department-wide leadership, advocacy and support for all DOT divisions. The DOT Director's Office will work in 2006 to improve DOT's preparedness to respond to emergencies.

Security and Emergency Response

To improve coordination and integration of security, emergency preparedness, and response and recovery activities to more effectively meet future demands, including federal mandates.

Temporary Emergency Preparedness Position -- \$91,543/ 1.00 TLT. This position supports the Department of Transportation's goal to provide safe, reliable, convenient and efficient public transit, roads and aviation services. As described in the DOT Business Plan, physical security and emergency response are key critical near-term challenges that the Department faces. The Emergency Preparedness TLT will support development, coordination and integration of emergency preparedness, response, and recovery planning for the DOT.

Technical Adjustments

Loan-Out Labor Adjustments -- (\$7,627). This proposed budget adjustment supports a minor \$7,627 reduction to the Loan-Out Labor account.

Technical Adjustments -- (\$17,632)/ (1.00) TLT. This proposed budget adjustment supports miscellaneous adjustments that net to a \$17,632 reduction. The adjustments include transferring budget authority between cost centers and adjustments in other internal costs.

Central Rate Adjustments -- (\$96,185). The 12 central rates applicable to the Director's Office include reductions and increases that net to a reduction of \$96,185. Central rate adjustments include: OIRM, ITS Infrastructure, CX Overhead, GIS O&M, Long Term Leases and Lease Administration Fee, COLA, Merit, Flex Benefits, Healthy Workplace Fund, Prosecuting Attorney, and Motor Pool.

C O U N C I L A D O P T E D B U D G E T

Council Changes

COLA Increase - \$37,277. After submission of the Executive Proposed Budget, more current Consumer Price Index (CPI) information became available. The September-to-September CPI percentage change is the figure historically utilized by the County to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated increasing COLA funding from the proposed level of 3.45% to 4.66%. For this agency's budget, this represents an additional \$37,277 in the 2006 budget.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Transit 4640/5000M

Code/	Item	Description	Expenditures	FTEs *	TLTs
Program Area			2005 Adopted		
		PE	431,957,411	3,707.43	69.26
		Status Quo **	22,614,145	46.62	0.00
		Status Quo Budget	454,571,556	3,754.05	69.26
Access Services					
RB02		Access Service	598,078	0.00	0.00
			598,078	0.00	0.00
Bus Service					
RB01		Bus Service	1,010,080	9.64	(1.00)
			1,010,080	9.64	(1.00)
Council Change					
CC01		COLA Adjustment	2,949,058	0.00	0.00
			2,949,058	0.00	0.00
Financial Challenges					
TA05		Fuel Increases	5,673,339	0.00	0.00
			5,673,339	0.00	0.00
Light Rail Start-up Costs					
RB04		Central Link Operations - Start-up Costs	1,866,176	19.73	0.71
			1,866,176	19.73	0.71
Security and Emergency Response					
RB06		Transit Police	159,327	0.00	0.00
			159,327	0.00	0.00
State and Federal Funding					
RB05		Special Needs WSDOT Grants - Access	95,303	0.00	0.00
RB09		Low Income Car Sharing	1,500,000	0.00	0.00
RB10		Operating Grants	(128,655)	(1.00)	0.00
			1,466,648	(1.00)	0.00
Technical Adjustment					
RB08		CIP Staffing Changes	(383,916)	1.61	1.61
TA01		Technical Adjustments	111,561	(0.80)	(1.00)
TA02		PSQ Adjustments	1,067,286	3.77	0.00
TA03		Revenue Increases	0	0.00	0.00
CR01		Flexible Benefits	(3,079,474)	0.00	0.00
CR05		Current Expense Overhead Adjustment	666,011	0.00	0.00
CR06		Healthy Workplace Fund	109,100	0.00	0.00
CR07		Technology Services Operations & Maintenance Charge	(136,841)	0.00	0.00
CR08		Technology Services Infrastructure Charge	(51,318)	0.00	0.00
CR09		Geographic Information Systems Charge	21,150	0.00	0.00
CR11		Telecommunications Services	17,801	0.00	0.00
CR12		Telecommunications Overhead	(99,824)	0.00	0.00
CR13		Motor Pool Usage Charge	(14,211)	0.00	0.00
CR14		Facilities Management Space Charge	15,906	0.00	0.00
CR15		Insurance Charges	(476,516)	0.00	0.00
CR16		Radio Access	532	0.00	0.00
CR19		Radio Reserve Program	(204)	0.00	0.00
CR20		Prosecuting Attorney Civil Division Charge	114,600	0.00	0.00
CR22		Long Term Leases	(170,404)	0.00	0.00
CR25		Financial Services Charge	324,214	0.00	0.00
CR27		Industrial Insurance Rate Adj.	(646,478)	0.00	0.00
CR34		Fixed Asset Data Management	1,266	0.00	0.00
CR36		Property Services Lease Administration Fee	4,481	0.00	0.00
CR39		COLA Adjustment	1,606,093	0.00	0.00
CR40		Merit Adjustment	(6,629)	0.00	0.00
CR46		Countywide Strategic Technology Projects	212,067	0.00	0.00

PHYSICAL ENVIRONMENT PROGRAM PLAN

		(793,747)	4.58	0.61
	Vanpool Ridership			
RB03	Vanpool Service	116,546	(1.00)	0.00
		116,546	(1.00)	0.00
	Waterfront Streetcar			
RB11	Waterfront Streetcar	(616,116)	(10.90)	0.00
		(616,116)	(10.90)	0.00
	2006 Adopted Budget	467,000,945	3,775.10	69.58
	% Change over Adopted		8.11%	

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

Proviso:

In 2006, the transit program shall provide twenty-seven high-quality retired passenger vans for exclusive use by nonprofit organizations or local governments that are able to address the mobility needs of low-income, elderly, disabled or young county residents. The council shall allocate vans by motion. Each agency selected to receive a van must enter into an agreement with King County that provides, among other things, that the agency shall defend and indemnify the county against any liability, be sufficiently insured to support the indemnity and defense obligation and be able to maintain and operate the van for its remaining useful life. The council finds that such provision of vans supports the county's public transportation function by: (1) reducing single occupancy vehicle trips, pollution and traffic congestion; (2) supplementing the services provided by the county's paratransit system; and (3) increasing mobility for the transit-dependent for whom regular transit may not always be a convenient option.

The motion required to be submitted by this proviso must be filed in the form of 11 copies with the clerk of the council, who will retain the original and will forward copies to each councilmember and to the lead staff for the transportation committee or its successor.

Proviso:

Of this appropriation, \$50,000 shall be expended only after the executive prepares for review and the council approves by motion a plan for increased security and coordination of police resources at the Renton Transit Center. The plan shall identify how transit will develop and implement joint plans for cross-training and enhanced security with the Renton Police Department. The plan shall specifically describe how strategies such as routine checks by uniformed and undercover officers, joint emphasis patrols and other appropriate police activities will be used.

The executive shall file the report and motion by March 1, 2006, in the form of 11 copies with the clerk of the council, who will retain the original and will forward copies to each councilmember and to the lead staff for the regional transit committee or its successor.

Proviso:

By April 30, 2006, the transit division shall submit to the council for its review and approval by motion a detailed work plan for an update of the long-range planning framework for public transportation and development of an operational master plan. The detailed work plan shall include a scope of work, tasks, schedule, needed resources and milestones. It shall also include a description of a proposed stakeholder group that will assist in overseeing this effort.

The plan and motion must be filed in the form of 12 copies with the clerk of the council, who will retain the original and will forward copies to each councilmember and to the lead staff for the transportation committee and the lead staff of the regional transit committee or its successor.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Transit Division

The majority of increases in Transit's 2006 Executive Proposed Budget are one-time and/or funded with additional dedicated revenues. The proposals are modest and represent increases to service levels. A modest increase in bus service above previously projected levels has been funded through reductions identified throughout the budget and the cost of fuel was adjusted based on current information. Other increases support service changes in the Access and Vanpool programs, as well as continued start-up activities for Central Link Light Rail Operations and participation in the Low Income Car Sharing program through grant agreements.

Access Services

Access ridership continues to increase as a result of an aging, growing population and a very low fare.

Access Service - \$598,078. This increase will allow Access to maintain the paratransit program at the service level described in the Americans with Disabilities Act (ADA) plan. It funds a total of 638,541 hours of paratransit service in 2006, supporting 1.14 million rides – 3% over 2005 projected rides and increasing the number of rides per vehicle service hour to 1.78 in 2006 – 2.3% over 2005 projected rides per vehicle service hour. The increase in ridership, contract costs, fuel costs contribute to the projected increase in Access costs for 2006.

Bus Service

Implementation of new hours of service will be consistent with the policies adopted in the Six-year Service Plan (2002-2007).

Bus Service - \$1,010,080, 9.64 FTEs and (1.00) TLT. The Transit budget reflects an additional 26,803 budget hours, resulting from increased service for Sound Transit, Metro bus service and maintenance. It also reflects increases for Dial A Ride Transit (DART) service due to scheduled increases in contractual costs and projected increases in the cost of fuel. The service increases are in the eastern and southern parts of King County. In 2006, Transit will provide 3.8 million hours of bus service, driving 48 million miles. The requested staffing increase includes 8.34 Transit Operators, a Utility Service Worker and .3 Mechanics.

Financial Challenges

The cost of diesel fuel and gasoline are important components of Transit's overall cost of operations. Fuel costs are rising significantly faster than inflation.

Fuel Increases - \$5,673,339. In PSQ, diesel fuel prices were increased to \$1.75 per gallon and gasoline prices were increased to \$1.80. Based on current information, the 2006 Executive Proposed Budget increases diesel to \$2.20 and gasoline to \$2.25 per gallon. It also includes additional funding for reimbursement for fuel used in the provision of DART service.

Light Rail Start-up Costs

Transit began start-up activities for operating Sound Transit's Central Link light rail line. In the next few years Transit will be developing new capacity and business processes to implement this new line of business.

Central Link Operations – Start-up Costs - \$1,866,176, 19.73 FTEs and .71 TLT. In 2003, King County and Sound Transit negotiated an agreement for King County to operate the Central Link light rail line. While passenger service on the light rail system is not anticipated to occur until 2008, significant planning and development activities are required to ensure that the system is operated effectively. In 2005, hiring of staff began to complete system design and testing. To complete

PHYSICAL ENVIRONMENT PROGRAM PLAN

development of the operational plans for the light rail system in 2006, King County will hire key staff, including the Link System Manager and Supervisors for the Operations, Vehicle Maintenance and Facilities Maintenance groups. Budget assumptions are based on a tentative hiring plan and start-up tasks that will be negotiated with Sound Transit. 16.4 FTEs are associated with the baseline operation of Central Link service. 3.33 FTEs and .71 TLT are associated with providing dedicated resources within Transit to support light rail operations. Sound Transit will reimburse King County for any costs incurred that support the Central Link Light Rail operation and start-up costs.

Security and Emergency Response

DOT aspires to provide integrated countywide services, products and facilities that are safe, reliable, convenient and efficient.

Transit Police - \$159,327. In 2006, Transit will reduce the number of transit policing hours currently provided by off-duty Seattle Police Department (SPD) Officers in favor of King County Sheriff's Office (KCSO) Deputies. This will allow KCSO to retain 12 deputies from the previously grant-funded Violent Crimes Review Team.

State and Federal Funding

Support from the state and federal governments continue to be an integral part of the funding picture for KCDOT.

Special Needs WSDOT Grants – Access - \$95,303. This proposal supports several projects within the Paratransit/Rideshare Section. Sound Transit is contributing \$40,000 to support travel and training; funds from the Hyde bequest are increasing by \$20,000; and \$35,303 in WSDOT grant funds will be used for operating projects.

Low Income Car Sharing - \$1,500,000. This proposal provides funding for King County's participation in pass-through grant agreements associated with Federal Earmarks awarded to the region for Low Income Car Sharing. These costs are backed 100% by grant funds.

Operating Grants - (\$128,655) and (1.00) FTE. Each year, as part of the budget process, operating grants are zero-based to reflect the grants received and the staffing necessary to meet operating grant requirements. This proposal adjusts the operating grant amounts. Operating grant activity for 2006 is projected to be \$3.1 million.

Technical Adjustment

CIP Staffing Changes - (\$383,916), 1.61 FTEs and 1.61 TLTs. This proposal includes adjustments to capital program staffing to reflect project work that will occur in 2006. Projects impacted:

- Design and Construction - for expansion of the Atlantic/Central Bases, tunnel work, Monorail coordination, Waterfront Streetcar, Transit Assets Management Program (TAMP), etc.;
- Management, Information and Technology (MITT) – increased loan out labor for the On Board Systems (OBS) project, accounting and contract support for the OBS and Radio AVL projects, and server replacement support for the Information Systems Preservation project;
- Vehicle Maintenance - the Smart Card project will be installing new equipment in coaches for the Beta test; and
- Power and Facilities - to support the new Breda Conversion and South Lake Union Streetcar projects and adjust Sound Transit contractor level of support for construction; reducing maintenance support on the Central/Atlantic Expansion, planned Monorail capital coordination support, Radio AVL support, and Smart Card support; and eliminating support for Issaquah Highlands Park-and-Ride (P&R), Redondo Heights P&R, and Power Distribution Headquarters projects.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Technical Adjustments – \$111,561, (.80) FTE and (1.00) TLT. In addition to funding one-time proposals such as completion of a two-year biodiesel demonstration project with Seattle City Light and a Wireless technology demonstration project with the Office of Information Resource Management (OIRM), this proposal includes various technical adjustments throughout the division to align the budget with current priorities.

PSQ Adjustments - \$1,067,286 and 3.77 FTEs. This proposal removes one-time funding for Sound Transit and LINK service levels, and adjusts costs to reflect increased number of bus service hours for 2006 (previously understated in the Operator Model), and adjusts King County Sheriff's Office base costs.

Central Rate Adjustments – \$1,588,678. Central rate adjustments were made for Flexible Benefits, Current Expense Overhead, Healthy Workplace Fund, Technology Services O&M, Technology Services Infrastructure, Geographic Information Services, Telecommunications Services, Telecommunications Overhead, Motor Pool Usage, Facilities Management Space Charge, Insurance, Radio Access, Radio Reserve Program, Prosecuting Attorney Civil Division, Long-term Leases, Financial Services, Financial Management Services Rebate, Industrial Insurance, Fixed Asset Data Management, Property Services Lease Administration Fee, Countywide Strategic Technology Projects, COLA and Merit.

Vanpool Ridership

With the improving economy, Vanpool ridership increased in 2005 and is projected to increase in the future as King County employment and regional aerospace employment continue to grow.

Vanpool Service - \$116,546 and (1.00) FTE. The direct cost of operating the vanpool fleet is projected annually in the budget process. The number of vanpools in operation, mileage and projected per mile costs are key components in the projection. This proposal supports an expansion of service to support a 5% increase in vanpool ridership and a 20% increase in vanshare ridership; several staffing changes related to ridership expansion, ridership retention, work task review and work process efficiency; and various adjustments due to higher maintenance costs and savings in fuel, printing, travel and training costs. The number of riders is projected to be up 419 per day, the number of vanpools up 36 and the number of vanshare groups up 15 from 2005. 2006 projects 5,970 daily riders with 832 vanpools in operation (734 vanpool groups and 98 vanshare groups), traveling approximately 9.8 million miles. By policy, Vanpool fares recover 100% of all direct vanpool operating costs.

Waterfront Streetcar

Service on the George Benson Waterfront Streetcar will be suspended temporarily in November of 2005, with the closure of the streetcar maintenance facility near Pier 70 to make way for construction of the Seattle Art Museum's Olympic Sculpture Park at that site.

Waterfront Streetcar - (\$616,116) and (10.90) FTEs. This proposal reflects the savings resulting from discontinuing operations of the Waterfront Streetcar during demolition of the existing streetcar facility and construction of a new one. Additional costs of replacing trolley service with bus service, projected revenue loss of ~\$200,000 due to the "Ride-Free-Area", and projected loss of ~\$200,000 in grant funding are embedded in RB01 Bus Service and TA03 Revenue Adjustments, and offset the savings in RB11.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Transit Revenue Vehicle Replacement 4647/5002M

Code/	Item	Description	Expenditures	FTEs *	TLTs
Program Area					
		<i>PE</i>			
		2005 Adopted	9,321,375	0.00	0.00
		Status Quo **	0	0.00	0.00
		Status Quo Budget	9,321,375	0.00	0.00
Technical Adjustment					
TA01		Technical Adjustment	(6,483,954)	0.00	0.00
			(6,483,954)	0.00	0.00
		2006 Adopted Budget	2,837,421	0.00	0.00
		% Change over Adopted	-69.56%		

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Transit Revenue Fleet Replacement

Technical Adjustment

Technical Adjustment – (\$6,483,954). Consistent with the adopted financial policies, this proposal provides a total of \$2,837,421 for replacement of Transit's revenue vehicles, including buses, access vans and trolleys in 2006. The amount of the transfer for this purpose varies annually and is based on the timing of fleet procurements.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Public Transportation Enterprise Fund

(\$ in 000)	2004 Actual ¹	2005 Adopted	2005 Estimated ²	2006 Adopted ³	2007 Projected ³	2008 Projected ³
Beginning Fund Balance	247,783	136,421	177,874	211,667	175,133	185,277
Revenues						
Fares	71,015	72,791	72,231	71,066	70,910	82,992
Other Operations Revenue	10,297	10,607	10,794	11,687	12,788	13,968
Sales Tax	309,631	321,877	335,206	355,755	377,135	399,688
Interest Income	6,043	3,940	4,804	6,779	7,039	8,658
Capital Grants	102,091	122,346	94,411	49,985	67,645	50,903
Payments from ST; Roads, Fleet, Airport	27,007	30,754	31,828	39,475	40,516	42,028
Sound Transit Payments-Capital	2,690	3,957	2,209	10,464	9,979	2,768
Miscellaneous	12,707	22,204	19,562	24,841	43,550	8,796
Total Revenues	541,480	588,475	571,045	570,051	629,563	609,801
Expenditures						
Transit Division	(406,935)	(431,957)	(433,754)	(467,001)	(483,375)	(503,795)
Transportation Admin Division	(4,060)	(4,844)	(4,838)	(5,157)	(5,301)	(5,450)
Capital	(239,003)	(135,078)	(90,562)	(134,545)	(120,908)	(57,300)
Cross Border Lease (Gillig Coaches)	(15,887)	(9,858)	(9,619)	0	0	0
Debt Service	(13,597)	(15,135)	(15,135)	(15,133)	(15,132)	(16,194)
Total Expenditures	(679,482)	(596,871)	(553,909)	(621,836)	(624,716)	(582,738)
Estimated Underexpenditures						
Operating Program	0	3,601	3,102	4,722	4,887	5,092
Capital Program	0	7,769	12,368	9,370	(723)	(6,100)
Total Estimated Underexpenditures	0	11,370	15,470	14,091	4,164	(1,007)
Other Fund Transactions						
Long Term Debt (Bonds)	50,526	0	0	0	0	21,500
Misc Balance Adjustments	17,567	1,530	1,187	1,160	1,134	1,107
Total Other Fund Transactions	68,093	1,530	1,187	1,160	1,134	22,607
Ending Fund Balance	177,874	140,926	211,667	175,133	185,277	233,940
Less Reserves & Designations						
30 Day Operating Reserve	25,170	25,049	36,000	38,800	40,168	41,824
Fare Stabilization & Operating Enhancement Reserve	0	0	2,297	3,566	0	0
Revenue Fleet Replacement Fund	14,680	29,746	79,774	99,391	143,744	191,556
Cross Border Lease (Gillig Coaches)	11,243	(0)	(0)	(0)	(0)	(0)
Total Reserves & Designations	51,093	54,795	118,070	141,757	183,912	233,380
Ending Undesignated Fund Balance	126,781	86,131	93,597	33,376	1,365	560
Target Fund Balance ⁴	98,490	65,651	115,826	138,202	189,913	245,916

Financial Plan Notes:

¹ 2004 Actuals are from the 14th month.

² 2005 Estimated is updated based on 2004 actuals.

³ 2006-2008 projections are based on future assumptions concerning service levels and the supporting CIP.

⁴ Target Fund Balance is based on formulae established in the financial policies.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Public Transportation Fund - Operating Sub-Fund

(\$ in 000)	2004 Actual ¹	2005 Adopted	2005 Estimated ²	2006 Adopted ³	2007 Projected ³	2008 Projected ³
Beginning Fund Balance	24,223	24,264	25,170	38,297	42,366	40,168
Revenues						
Fares	71,015	72,791	72,231	71,066	70,910	82,992
Other Operations Revenue	10,297	10,607	10,794	11,687	12,788	13,968
Sales Tax	232,223	241,407	251,405	266,816	282,852	299,766
Payments from ST; Roads, Fleet, Airport	27,007	30,754	31,828	39,475	40,516	42,028
Interest	297	0	806	1,205	1,727	1,784
Miscellaneous	8,120	7,809	7,736	9,052	6,263	5,527
Total Revenues	348,959	363,367	374,800	399,300	415,055	446,065
Expenditures						
Transit	(406,935)	(431,957)	(433,754)	(467,001)	(483,375)	(503,795)
Transportation Administration	(4,060)	(4,844)	(4,838)	(5,157)	(5,301)	(5,450)
Total Expenditures	(410,995)	(436,801)	(438,592)	(472,158)	(488,676)	(509,244)
Estimated Underexpenditures	0	3,601	3,102	4,722	4,887	5,092
Other Fund Transactions						
Misc Balance Adjustment	(4,679)	0	0	0	0	0
Transfer from Capital Program	67,662	70,617	73,817	72,206	66,536	59,742
Total Other Fund Transactions	62,983	70,617	73,817	72,206	66,536	59,742
Ending Fund Balance	25,170	25,049	38,297	42,366	40,168	41,824
Less Reserves & Designations						
30 Day Operating Reserve	25,170	25,049	36,000	38,800	40,168	41,824
Fare Stabilization & Operating Enhancement	0	0	2,297	3,566	0	0
Total Reserves & Designations	25,170	25,049	38,297	42,366	40,168	41,824
Ending Undesignated Fund Balance	0	0	0	0	0	0
Target Fund Balance ⁴	33,784	35,905	36,052	38,811	40,169	41,860

Financial Plan Notes:

¹ 2004 Actuals are from the 14th month.

² 2005 Estimated is updated based on 2004 actuals.

³ 2006-2008 projections are based on future assumptions concerning service levels and the supporting CIP.

⁴ Target Fund Balance is based on formulae established in the financial policies.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Public Transportation Fund - Revenue Fleet Replacement Sub-Fund

(\$ in 000)	2004 Actual ¹	2005 Adopted	2005 Estimated ²	2006 Adopted ³	2007 Projected ³	2008 Projected ³
Beginning Fund Balance	100,914	1,750	14,680	79,774	99,391	143,744
Revenues						
Sales Tax Distribution	0	21,317	56,131	(656)	(1,910)	88
Interest	1,728	53	440	3,111	4,522	6,828
Grants: Section 5307 Preventive Maintenance	28,533	15,948	15,948	20,000	50,000	50,000
Total Revenues	30,262	37,318	72,519	22,455	52,612	56,916
Expenditures						
Cross Border Lease Fund Transfer	0	0	1,896	0	0	0
Capital Fund Transfer	(116,669)	(9,321)	(9,321)	(2,837)	(2,259)	(2,604)
Total Expenditures	(116,669)	(9,321)	(7,425)	(2,837)	(2,259)	(2,604)
Estimated Underexpenditures						
Other Fund Transactions						
Short Term Loan to CIP	0	0	0	0	(6,000)	(6,500)
Balance Sheet Adj.	172	0	0	0	0	0
Total Other Fund Transactions	172	0	0	0	(6,000)	(6,500)
Ending Fund Balance	14,680	29,746	79,774	99,391	143,744	191,556
Reserves & Designations						
RFRF Reserve	14,680	29,746	79,774	99,391	143,744	191,556
Total Reserves & Designations	14,680	29,746	79,774	99,391	143,744	191,556
Ending Undesignated Fund Balance	0	0	0	0	0	0
Target Fund Balance ⁴	53,463	29,746	79,774	99,391	149,744	204,056

Financial Plan Notes:

¹ 2004 Actuals are from the 14th month.

² 2005 Estimated is updated based on 2004 actuals.

³ 2006-2008 projections are based on future assumptions concerning service levels and the supporting CIP.

⁴ Target Fund Balance is based on formulae established in the financial policies.

PHYSICAL ENVIRONMENT PROGRAM PLAN

C O U N C I L A D O P T E D B U D G E T

Transit Division

COLA Adjustment - \$2,949,058. After submission of the Executive Proposed Budget, more current Consumer Price Index (CPI) information became available. The September-to-September CPI percentage change is the figure historically utilized by the County to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated increasing COLA funding from the proposed level of 3.45% to 4.66%. For this agency's budget, this represents an additional \$2,949,058 in the 2006 budget.

Transit Revenue Fleet Replacement

Council made no changes to the 2006 Executive Proposed Budget.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Roads 1030/0730

Code/	Item	Description	Expenditures	FTEs *	TLTs
Program Area			2005 Adopted		
PE			66,439,373	584.70	23.45
			Status Quo **	0.00	0.00
Status Quo Budget			69,671,871	584.70	23.45
Annexation					
DS15		Klahanie / South Cove Annexation Service Reductions	(372,683)	(2.49)	0.00
			(372,683)	(2.49)	0.00
Arterial Capacity Efficiency					
PC02		Travel Demand Projection Model Update	35,000	0.00	0.00
PC03		Concurrency Model Travel Time Data Collection	50,483	0.00	0.00
			85,483	0.00	0.00
Council Change					
CC01		Increase Cola Increment by 1.21% to 4.66%	522,148	0.00	0.00
			522,148	0.00	0.00
Environmental Stewardship					
PC07		Roads Recycling and Renewable Energy Study	46,000	0.00	0.00
PC08		Landscape Maintenance Backlog	133,622	0.00	0.00
			179,622	0.00	0.00
Maximization of Efficient Use of Existing Roads					
PC01		Traffic Control Center Operations	325,925	1.00	(1.00)
RB01		Traffic - Contract City Services	20,644	0.00	0.00
RB07		Developer Roads Inspection Services	28,747	0.00	0.00
			375,316	1.00	(1.00)
Preservation of Aging Infrastructure					
PC04		Bridge Studies	301,358	0.00	0.00
PC05		Vulnerable Road Segments Pavement Testing	76,025	0.00	0.00
PC06		Haul Road Impacts Fee Study	34,131	0.00	0.00
RB06		Roads Maintenance - Parks Bridges Reimbursables	86,540	0.00	0.00
			498,054	0.00	0.00
Technical Adjustment					
PC09		Term Limited Temporary (TLT) Adjustments	(289,467)	0.00	(3.68)
RB02		Road Maintenance - Contract City Services	(44,323)	(1.00)	0.00
RB04		Roads Maintenance - WLRD Reimbursables	0	(5.00)	(3.50)
TA01		Reorg - CIP Countywide Program Planning to Operating	984,000	0.00	0.00
TA03		DOT Administration Allocation	52,765	0.00	0.00
TA04		Labor Distribution	638,201	0.00	0.00
TA48		Facilities Management Central Rate	62,801	0.00	0.00
TA49		COLA Adjustment	420,344	0.00	0.00
CR01		Flexible Benefits	(443,548)	0.00	0.00
CR05		Current Expense Overhead Adjustment	40,620	0.00	0.00
CR06		Healthy Workplace Fund	14,812	0.00	0.00
CR07		Technology Services Operations & Maintenance Charge	6,606	0.00	0.00
CR08		Technology Services Infrastructure Charge	(34,464)	0.00	0.00
CR09		Geographic Information Systems Charge	18,329	0.00	0.00
CR11		Telecommunications Services	(6,898)	0.00	0.00
CR12		Telecommunications Overhead	(17,934)	0.00	0.00
CR13		Motor Pool Usage Charge	25,409	0.00	0.00
CR15		Insurance Charges	(294,968)	0.00	0.00
CR16		Radio Access	5,779	0.00	0.00
CR19		Radio Reserve Program	(1,593)	0.00	0.00
CR20		Prosecuting Attorney Civil Division Charge	(51,263)	0.00	0.00
CR22		Long Term Leases	(84,749)	0.00	0.00
CR25		Financial Services Charge	(292,627)	0.00	0.00
CR27		Industrial Insurance Rate Adj.	(78,119)	0.00	0.00

PHYSICAL ENVIRONMENT PROGRAM PLAN

CR28	Equipment Repair and Replacement	(302,431)	0.00	0.00
CR29	Wastewater Vehicles	(550)	0.00	0.00
CR36	Property Services Lease Administration Fee	2,522	0.00	0.00
CR46	Countywide Strategic Technology Projects	34,137	0.00	0.00
		363,391	(6.00)	(7.18)
	2006 Adopted Budget	71,323,202	577.21	15.27
	% Change over Adopted	7.35%		

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

Road Services Division

The Road Services Division budget is focused on their core businesses of protecting the current road infrastructure, improving traffic and arterial use efficiencies, and focusing on environmental initiatives. In addition, the 2006 Executive Proposed Budget responds to the revenue loss due to the anticipated annexations of Klahanie and South Cove by the City of Issaquah.

Annexations

The Road Services Division has identified a loss of over \$3.2 million in revenue as a result of the anticipated Klahanie and South Cove annexations by the City of Issaquah. The division has identified areas of direct expenditures savings to the Klahanie and South Cove areas. The remaining revenue loss is offset by projected increases in property tax revenues.

Klahanie / South Cove Annexation Service Reductions – (\$372,683) and (2.49) FTEs. Pending voter approval, if the Klahanie and South Cove areas are annexed by the City of Issaquah on March 2, 2006, the Roads Division will reduce \$370,289 in expenditures and 2.5 FTE. This program change results from no longer serving the urban unincorporated area of Klahanie and South Cove with traffic operations and road maintenance services.

Arterial Capacity Efficiency

The Road Services Division has identified this policy direction in order to ensure that existing arterial capacity planning efforts and data are accurate and up to date. This information is essential for future programming decisions to accommodate an ever increasing number of vehicles on the regional arterial system at a time when there are insufficient transportation revenues to build needed road widening projects to add vehicle carrying capacity.

Travel Demand Projection Model Update – \$35,000. This proposal funds a consultant contract, which would help assist in the countywide travel demand model update. The current model needs to be updated to 2004 base conditions to be able to better provide forecasting results for the various transportation programs.

Concurrency Model Travel Time Data Collection – \$50,483. This proposal would allow the CIP and Planning Section to collect travel time data in 37 concurrency corridors for the Transportation Concurrency program. The King County Council requires the concurrency program to update the concurrency model and map each year. Travel time data collection is a major component of this update.

Environmental Stewardship

The Road Services Division is striving to be a leader in developing and employing innovative, environmentally appropriate methods of designing, building and maintaining the county's roads and bridges in order to mitigate the impacts of its activities on the environment and natural habitat.

Roads Recycling and Renewable Energy Study – \$46,000. This proposal would fund a study to determine the feasibility and funding sources to pay for the initial capital costs of implementing renewable energy on a larger scale throughout the division and streamline its waste reduction practices. A desirable outcome would be to decrease waste disposal costs. The study will also help the Road Services Division to evaluate alternate energy sources with the long-term goal of offsetting escalating energy demands and costs.

Landscape Maintenance Backlog – \$133,622. This proposal would fund an expanded program that uses non-felon individuals sentenced by the courts to the Community Work Program (CWP), to

PHYSICAL ENVIRONMENT PROGRAM PLAN

perform guardrail and sidewalk mowing at critical roadside locations throughout the county. Without this work, safety to motorists, bicyclists, and pedestrians may be jeopardized in areas where brush, grass or vines are overgrown and need to be cut back. This proposal will also maximize the use of public dollars by providing work for a non-felon crew through the CWP.

Maximization of Efficient Use of Existing Roads

The Road Services Division aims to maximize the public's efficient use of existing roadways by employing new Intelligent Transportation Systems (ITS) technology. The Division is partnering with cities and the state in implementing ITS projects across jurisdictional boundaries on the region's system of major arterial roadways.

Traffic Control Center Operations – \$325,925, 1.00 FTE and (1.00) TLT. This funding would provide staff and equipment replacement support for the King County Traffic Control Center (TCC), which monitors and controls traffic flow on arterial roadways. Also included is the conversion of a TLT IT Systems Specialist Master to an FTE position to provide ongoing technical support for the TCC and associated traffic infrastructure. A fully operational Traffic Control Center will improve the efficiency of the King County road system by using state-of-the-art technology to improve traffic flow.

Traffic – Contract City Services – \$20,644. This proposal is the annual change to the Traffic Contract City Program based on city input, historic city actual figures, annexations and changes in city inventory. The city program is marked by the addition of two jurisdictions to the budget, Milton and Pierce County. There is also a 20% increase in materials costs reflected in this request, which is passed through to the cities.

Developer Roads Inspection Services – \$28,747. This proposal would shift the workload of an Engineer II position from CIP work to developer road inspection work and Road Log update work to reflect an increase in inspection needs. Additional staff will result in increased coordination with DDES during the construction of private roadways, thereby resulting in a better overall product prior to DDES granting final construction approval of the land-use project.

Preservation of Aging Infrastructure

The Road Services Division places primary importance on preserving aging infrastructure, a policy direction that is contained within the adopted King County Comprehensive Plan.

Bridge Studies – \$301,358. This transfers bridge studies funding from the Capital Improvement Program (CIP) to the Operating Budget to more accurately reflect the funding source. Studies proposed for 2006 include the Baring Bridge Operational Analysis, the Dockton Seawall Alternatives Analysis, and the Alvord T Bridge Study.

Vulnerable Road Segments Pavement Testing – \$76,025. This proposal provides funding for a six-year pavement testing program of vulnerable road segments. The Road Services Division currently manages the countywide overlay program which is a pavement preservation program that repairs the surface features of the roadway structure. Cyclic loading and increases to legal limits that exceed design loads has caused structural damage to several arterials requiring rehabilitation/reconstruction repairs that exceed the scope of the overlay program.

Haul Roads Impacts Fee Study – \$34,131. This study will identify the evidence that could support fee changes that will shift the cost burden of specific haul activities and the effects on the roadways from the taxpayer base to the particular development creating impacts. This study will assist DDES in determining fees for rehabilitation costs assessed to developers as a result of impacts to KC arterials resulting from developer haul trips and excessive truck axle loads which are accelerating road

PHYSICAL ENVIRONMENT PROGRAM PLAN

structure deterioration.

Roads Maintenance to Parks Bridge Program – \$86,540. Road Maintenance provides support to the Parks Bridge Maintenance program, and Parks has proposed an increase in service support to the program for 2006.

Technical Adjustments

Term Limited Temporary (TLT) Adjustments – (\$289,467) and (3.68) TLTs. This proposal updates the TLT staffing levels and corresponding budget for 2006. This reduction includes TLT salary and benefit reductions as TLT terms expire.

Roads Maintenance – Contract City Services – (\$44,323) and (1.00) FTE. This proposal is an annual adjustment to the level of contracted services between Roads Maintenance and contracting cities. The cities of Covington and Kenmore have identified reduced programs for 2006 resulting in the reduction of one FTE.

Roads Maintenance – Water & Land Resources Division (WLRD) Reimbursables – \$0, (5.00) FTEs and (3.50) TLTs. The Roads Maintenance Section performs various maintenance activities for the Water and Land Resources Division (WLRD). For 2006, WLRD has reduced support level needs in Capital Improvements Projects and Contract Cities, resulting in a reduction of 5 FTEs and 3.5 TLTs from what was budgeted for 2005. Overtime funding was increased to provide seasonal support to the Rivers Maintenance Program.

Reorganization of CIP Countywide Program Planning to the Operating Fund – \$984,000. This proposal reorganizes the budget associated with program planning and administration for programs currently budgeted in Countywide CIP projects by transferring funds to operating sections. This program adjustment does not alter any of the work to be done but rather realigns the funding for that work to the operating budget in response to CRAB reporting and other GAAP accounting requirements. A corresponding decrease to the CIP contribution is in effect beginning in 2006 to implement this budget reorganization. There is no net financial impact to the Road Fund.

DOT Administration Cost Allocation – \$52,765. This adjustment is based on the 2006 DOT Director's Office allocated costs to the DOT divisions (Transit, Road Services, Fleet and the Airport).

Labor Distribution – \$638,201. Adjustments associated with distributed labor and administrative overhead cost recovery are included in this technical adjustment.

Central Rates – (\$977,785). Central rate adjustments include CX Overhead, ITS O&M and Infrastructure, Telecommunications Services and Overhead, GIS, Insurance, PAO, Long Term Lease and Lease Administration Fee, Finance, Facilities Management, Wastewater Vehicles, Motor Pool, Radio charges, Flex Benefits, Industrial Insurance, Equipment Repair and Replacement, Countywide Strategic Technology Projects, Healthy Workplace Fund and COLA.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Roads Services 2006 Adopted Financial Plan

	2004 Actual	2005 Adopted	2005 Estimated	2006 Adopted	2007 Projected	2008 Projected
Beginning Fund Balance	(317,031)	805,140	(2,432,096)	908,619	1,129,196	1,112,576
Revenues						
* Property Taxes ¹	64,300,645	68,829,498	70,029,622	73,261,547	75,532,809	81,588,376
* Gas Taxes ²	13,987,597	14,600,958	14,723,120	15,806,232	17,068,695	17,738,591
* Reimbursable Fees for Service ³	12,072,792	12,354,200	13,800,034	12,650,282	12,986,005	13,304,649
* Sale of Assets ⁴	0	761,250	1,604,087	761,250	821,250	716,250
* Other Revenues ⁵	2,485,798	2,854,597	2,932,355	2,108,547	2,162,941	2,218,831
Total Revenues	92,846,832	99,400,503	103,089,218	104,587,858	108,571,700	115,566,697
Expenditures						
* Roads Operating Base ⁶	(60,280,355)	(63,053,249)	(59,514,059)	(63,875,740)	(65,284,884)	(67,395,286)
* (Surface Water Utility Payment) ⁷	(3,386,124)	(3,386,124)	(3,534,299)	(3,534,299)	(3,534,299)	(3,534,299)
* (Transfer to Sheriff)			(3,391,015)	(3,391,015)	(3,391,015)	(3,391,015)
* Stormwater Decant	(392,115)	(517,355)	(517,355)	(527,868)	(544,760)	(562,192)
* Carryover from 2004			(1,623,603)			
* First Quarter Omnibus Ordinance			163,780			
* Second Quarter Omnibus Ordinance			434,551			
* Council Addition - Cola increase to 4.66%				(522,148)		
Total Expenditures	(64,058,594)	(66,956,728)	(67,982,000)	(71,851,070)	(72,754,958)	(74,882,792)
Estimated Underexpenditures		669,338	679,820	718,511	727,550	748,828
Other Fund Transactions						
* Roads Construction Transfer ⁸	(29,416,820)	(32,446,323)	(32,446,323)	(33,234,722)	(37,515,737)	(41,816,886)
* Reduction for 1990 grant revenue error	(1,486,483)					
* Out Year Future Balancing Adjustments					954,825	489,079
* Operational Facilities Consolidation and Renovation						
Total Other Fund Transactions	(30,903,303)	(32,446,323)	(32,446,323)	(33,234,722)	(36,560,912)	(41,327,807)
Ending Fund Balance ¹⁰	(2,432,096)	1,471,930	908,619	1,129,196	1,112,576	1,217,502
Reserves & Designations						
* Reserves for encumbrances	(1,623,603)					
Total Reserves & Designations	(1,623,603)	0	0	0	0	0
Ending Undesignated Fund Balance	(4,055,699)	1,471,930	908,619	1,129,196	1,112,576	1,217,502
Target Fund Balance (1.5% of Revenues) ⁹	1,392,702	1,491,008	1,576,357	1,573,517	1,628,576	1,733,500

Financial Plan Notes:

- Beginning in 2003 and for the out years of the plan, a.v. plus new construction and levy growth are assumed to grow at a conservative constant rate of 6% per year (4.2% plus 1.55% new construction). Initiative 747 neither repeals nor amends RCW 84.55.092, the statute allowing taxing districts to bank levy capacity. I-747, does not affect any taxing district's
- (1) previously banked levy capacity. So if, for example, a taxing district had banked levy capacity available for its use (assuming that all other applicable restrictions on levies are being observed), the taxing district could increase its levy in a year after the Initiative has taken effect by one percent over the amount of its previous maximum lawful levy. The maximum levy amount is met in 2007.
- (2) Gas Tax estimates are based on the DOT's estimate of statewide revenues available to counties and King County's allocation factor from CRAB. These figures reflect WSDOT's November 2005 forecast; and CRAB's July 2005 allocation for King County. (10.182%) beginning in 2006.
- (3) Reimbursable fees for service include city contracts, expense/revenue identified in the division-wide reimbursables org (1668) covering discretionary services, photographic services, MPS admin fees, right of way inspection fees, and regional stormwater decant fees.
- (4) Sale of assets include surplus property sales and Covington gravel and sand mining receipts.
- (5) Other Revenues include all road fund revenues other than property taxes, gas tax, reimbursables, sale of assets, and grants, which are identified separately in the financial plan.

PHYSICAL ENVIRONMENT PROGRAM PLAN

(6) The Roads Operating Base reflects the operating budget less the transfer to the Sheriff's Office for Traffic Safety Enforcement services (an allowable diversion of road fund dollars), the Surface Water Utility Charge, and the Stormwater Disposal Program which is budgeted separately in ARMS Dept. 726 in order to meet state accounting requirements.

(7) SWM fees assume no fee increase and are adjusted annually to reflect revised road miles in the SWM service area and incorporation activity in 1997 and beyond. A SWU extension (Rural Drainage Fee Program) to include the remaining road miles in unincorporated King County was adopted beginning in 2000. A 20% rate increase was adopted in 2002.

(8) The 2006-2011 six-year CIP Contribution (\$246.4 million) is approximately \$25 million more than the six-year total for the 2005-2010 adopted six-year program (\$221.3 million) in this version of the financial plan.

Beginning in 2001, the ending fund balance target is established at 1.5% of programmed revenues. This is more reflective of the Division's actual practices since 1997, and is a reduction from the Division's previous long standing practice of reserving a fund balance target of 5% of programmed revenues. Managing to a lower fund balance target frees up scarce additional cash to be put to immediate active use in roads CIP and operational programs. This new reserve practice is possible because of the division's approach, since 1997, of managing the cash requirements of the Road Fund through strategic timing of the CIP Contribution transfer to the Road Construction fund.

Most of the Division's first quarter funding requirements are met by the April property tax receipts. Cash flow requirements for the first three months of the year are met by delaying a portion of the annual transfer of cash from the Roads Operating Fund to the Roads CIP Fund. The accounting mechanism for accomplishing this is to record an expenditure in the Roads Operating Fund, and corresponding revenue in the Roads CIP Fund. This matches expenditures and revenues in the correct fiscal period, resulting in the correct fund balance figure. At the same time, a receivable ("due from") is created on the Roads CIP Fund balance sheet, offset by an obligation ("due to") on the Roads Operating Fund balance sheet in the amount of the cash withheld from the transfer. Since these items, as well as cash, appear on the balance sheet, they do not affect ending fund balance. In May, the obligation is paid off with cash received from the April property tax receipts, long before the cash is required for covering actual Roads CIP Fund expenditures. In effect, cashflow is managed for the two funds as a single unit. This is consistent with long standing policy of funding the Roads CIP out of Roads Operating Fund revenues, above those required for basic road and traffic operations and maintenance. When the Road fund recorded a negative ending fund balance in 1999 and 2000, cash needs were fully covered by employing this practice and managing to the cash available in both funds.

(10) The 2003 Ending Fund Balance was reduced by the Office of Finance by \$243,571 to account for the Road Fund share of the decline in King County's unrealized investment gains; and also the 2004 Ending Fund Balance was reduced the Office of Finance by another \$1,486,483 for a Prior Period adjustment of revenue for a 1990 FEMA grant.

C O U N C I L A D O P T E D B U D G E T

COLA Increase - \$522,148. *After submission of the Executive Proposed Budget, more current Consumer Price Index (CPI) information became available. The September-to-September CPI percentage change is the figure historically utilized by the County to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated increasing COLA funding from the proposed level of 3.45% to 4.66%. For this agency's budget, this represents an additional \$522,148 in the 2006 budget.*

PHYSICAL ENVIRONMENT PROGRAM PLAN

Stormwater Decant Program 1030/0726

Code/	Item	Description	Expenditures	FTEs *	TLTs	
Program Area			2005 Adopted	517,355	0.00	0.00
PE			Status Quo **	5,802	0.00	0.00
			Status Quo Budget	523,157	0.00	0.00
Technical Adjustment						
CR05		Current Expense Overhead Adjustment	38	0.00	0.00	0.00
CR11		Telecommunications Services	(72)	0.00	0.00	0.00
CR12		Telecommunications Overhead	87	0.00	0.00	0.00
CR25		Financial Services Charge	9,020	0.00	0.00	0.00
CR28		Equipment Repair and Replacement	(4,362)	0.00	0.00	0.00
			4,711	0.00	0.00	0.00
2006 Adopted Budget			527,868	0.00	0.00	0.00
% Change over Adopted			2.03%			

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Stormwater Decant Program

Technical Adjustments

Central Rate Adjustments: \$4,711. The central rate adjustments include changes to Current Expense Overhead, Telecommunications, Finance and Equipment Repair and Replacement.

C O U N C I L A D O P T E D B U D G E T

Council made no changes to the 2006 Executive Proposed Budget.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Roads Construction Transfer 1030/0734

Code/	Item	Description	Expenditures	FTEs *	TLTs
Program Area					
		<i>PE</i>			
		2005 Adopted	32,446,323	0.00	0.00
		Status Quo **	0	0.00	0.00
		Status Quo Budget	32,446,323	0.00	0.00
Technical Adjustment					
TA01		Transfer to CIP	788,399	0.00	0.00
			788,399	0.00	0.00
		2006 Adopted Budget	33,234,722	0.00	0.00
		% Change over Adopted	2.43%		

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Road Construction Transfer

Technical Adjustments

Transfer from Road Fund to Capital Funds – \$788,399. This proposal reflects the amount available to increase Road Fund contributions to the Roads CIP after accounting for priority operating budget adjustments and meeting ending fund balance requirement of 1.5% of total revenues. An increase over the 2005 transfer is possible in 2006 due to the excess levy capacity available in the road levy. 2006 is the last year the road levy will contain any excess levy capacity.

C O U N C I L A D O P T E D B U D G E T

Council made no changes to the 2006 Executive Proposed Budget.

Fleet Administration

Fleet Administration Division manages the County's vehicles in the Motor Pool Fund, the Wastewater Equipment Rental and Revolving Fund, and the Public Works Equipment Rental and Revolving Fund. The Sheriff's Office and other Current Expense agencies represent about two-thirds of the Motor Pool Fund vehicles and services. The Road Service Division is the primary user of the Public Works Equipment Rental and Revolving Fund. The Wastewater Division is the primary user of the Wastewater Equipment Rental and Revolving Fund.

In the 2006 Executive Proposed, Fleet is challenged to minimize the rate impact to customers as the cost of fuel continues to increase, a 17% increase from 2003 to 2004. In addition to rising fuel expenses, Fleet space costs are increasing in 2006 as the Motor Pool Maintenance Shop and Personal Property Surplus move to the Orcas Street location.

The rates charged to agencies are based primarily on three factors: vehicle use, vehicle maintenance and vehicle replacement. The 2006 rates are based on 2004 actual use. Fleet uses an industry standard model to determine the economically efficient time to replace a vehicle. This vehicle replacement model considers variables such as annual costs, resale/salvage value, and purchase price.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Motor Pool Equipment Rental and Revolving 5580/0780

Code/	Item	Description	Expenditures	FTEs *	TLTs	
Program Area			2005 Adopted	10,019,005	21.00	0.00
PE			Status Quo **	244,549	0.00	0.00
Status Quo Budget			10,263,554	21.00	0.00	
Council Change						
CC39		Increase Cola Increment by 1.21% to 4.66%	14,513	0.00	0.00	
			14,513	0.00	0.00	
Equipment Purchase Adjustment						
RB02		Vehicle/Equipment Replacement Adjustment	(481,634)	0.00	0.00	
			(481,634)	0.00	0.00	
Technical Adjustment						
RB01		Operating & Maintenance Program - Vehicles/Equipment	111,368	0.00	0.00	
TA15		Revenue Increment	0	0.00	0.00	
CR01		Flexible Benefits	(15,624)	0.00	0.00	
CR05		Current Expense Overhead Adjustment	(112,514)	0.00	0.00	
CR06		Healthy Workplace Fund	525	0.00	0.00	
CR07		Technology Services Operations & Maintenance Charge	(6,056)	0.00	0.00	
CR08		Technology Services Infrastructure Charge	(1,004)	0.00	0.00	
CR11		Telecommunications Services	(1,867)	0.00	0.00	
CR12		Telecommunications Overhead	353	0.00	0.00	
CR14		Facilities Management Space Charge	103,461	0.00	0.00	
CR15		Insurance Charges	10,906	0.00	0.00	
CR16		Radio Access	15	0.00	0.00	
CR19		Radio Reserve Program	(5)	0.00	0.00	
CR21		Debt Service Adjustment	(288)	0.00	0.00	
CR22		Long Term Leases	57,588	0.00	0.00	
CR25		Financial Services Charge	(2,030)	0.00	0.00	
CR27		Industrial Insurance Rate Adj.	(2,934)	0.00	0.00	
CR36		Property Services Lease Administration Fee	80	0.00	0.00	
CR39		COLA Adjustment	13,302	0.00	0.00	
CR46		Countywide Strategic Technology Projects	1,179	0.00	0.00	
			156,455	0.00	0.00	
2006 Adopted Budget			9,952,888	21.00	0.00	
% Change over Adopted			-0.66%			

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Motor Pool ER&R Fund

The total 2006 Executive Proposed Budget for the Motor Pool ER&R appropriation unit is \$9,938,375 and is staffed by 21 FTEs.

Equipment Purchase Adjustments

Vehicle Equipment Replacement Adjustment – (\$481,634). The budget authority necessary to replace vehicles in 2006 will decrease by \$481,634 from the previous estimate. While agency contributions to Motor Pool are relatively consistent from year-to-year, the amount of budget authority necessary to purchase vehicles may vary considerably on an annual basis. This cyclical variability is based on the number of vehicles that reach the end of their life cycle in any particular year.

Technical Adjustments

Fleet Operations and Maintenance – \$111,368. This proposed budget adjustment improves the budget accuracy for a series of supplies and services accounts.

Central Rates – \$45,087. There is a net increase of central rate costs to the Motor Pool ER&R fund. Space charges are increasing due to the move of the Motor Pool Maintenance Shop from the King County Parking Facility to the Orcas Street location. A decrease in the Current Expense Overhead Adjustment is offset by increased Long Term Lease and Facilities Space Charges.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Motor Pool Equipment Rental Revolving / Fund 5580

	2004 Actual ¹	2005 Adopted	2005 Estimated ²	2006 Adopted	2007 Projected ³	2008 Projected ³
Beginning Fund Balance	8,427,337	7,062,824	7,641,746	2,782,893	2,334,580	2,358,388
Revenues						
* Garage Services & Supplies	231,832	65,207	65,207	144,018	148,339	152,789
* Investment Interest	183,337	110,749	110,749	79,143	73,232	81,694
* Sale of Equipment	214,523	464,829	464,829	368,039	302,932	288,669
* Other Miscellaneous Revenues	162,811	135,000	135,000	135,000	139,050	143,222
* Vehicle Rental Revenues	7,460,934	7,548,011	7,548,011	8,438,458	8,584,453	9,099,521
Total Revenues	8,253,438	8,323,796	8,323,796	9,164,658	9,248,007	9,765,894
Expenditures						
* Operating and Maintenance	(5,599,099)	(5,817,524)	(6,237,524)	(6,232,220)	(6,154,301)	(6,298,382)
* Capital Equipment Replacement	(3,338,820)	(4,162,028)	(4,162,028)	(3,680,394)	(3,029,323)	(2,886,689)
* Debt Service-Core Financial	(40,565)	(39,453)	(39,453)	(40,275)	(40,575)	(40,548)
* 2004-2005 Carryover Encumbrances			(546,457)			
Total Expenditures	(8,978,484)	(10,019,005)	(10,985,462)	(9,952,888)	(9,224,199)	(9,225,619)
Estimated Underexpenditures						
Other Fund Transactions						
* Fund Balance Reduction-Orcas St.	(47,955)	0	(2,197,187)	339,917		
* Other Financial Transactions	(12,636)					
Total Other Fund Transactions	(60,591)	0	(2,197,187)	339,917	0	0
Ending Fund Balance	7,641,700	5,367,615	2,782,893	2,334,580	2,358,388	2,898,663
Reserves & Designations						
* Allowance of Inventory	(53,459)	(84,181)	(84,181)	(86,706)	(89,308)	(91,987)
* Contingency for Capital Improvement	(253,960)	(249,714)	(249,714)	(264,742)	(277,440)	(292,977)
* 2004-2005 Carryover Encumbrances	(546,457)					
Total Reserves & Designations	(853,876)	(333,895)	(333,895)	(351,449)	(366,748)	(384,964)
Ending Undesignated Fund Balance	6,787,824	5,033,720	2,448,998	1,983,132	1,991,640	2,513,699
Projected Fleet Replacement Cost (PFRC)	27,818,830	26,439,630	26,439,630	26,486,552	27,281,149	28,099,583
Percent of Proj. Fleet Repl. Cost	24%	19%	9%	7%	7%	9%
Target Fund Balance- 10% of PFRC	2,781,883	2,643,963	2,643,963	2,648,655	2,728,115	2,809,958
Target Fund Balance- 20% of PFRC	5,563,766	5,287,926	5,287,926	5,297,310	5,456,230	5,619,917

Financial Plan Notes:

- 2004 Actuals are from the 2004 CAFR.
- 2005 Estimated is based on annualized revenue & expenditure report.
 - 2005 Estimated "Operating and Maintenance" expenditure includes \$420,000 supplemental request for increased fuel prices
- 2007 and 2008 Projected are based on the following assumptions:
 - Assumes 3% annual percentage rate on investment earnings.
 - Assumes sale of equipment is 10% of annual capital expenditures.
 - Assumes 3% annual increase in miscellaneous revenues as well as in operating and maintenance costs.
 - Capital expenditures are based on replacement schedule based on established replacement standards for each type of vehicle.
 - Allowance for inventory is equal to inventory value at the beginning of each year per CAFR. Estimated increase 3% per year.
 - Contingency for capital improvement is estimated at 3% of annual revenues.
- Target Fund Balance, as recommended by the County Auditor, is equal to a range of 10% to 20% of the Projected Replacement Cost of the Fleet (PFRC).

C O U N C I L A D O P T E D B U D G E T

COLA Increase - \$14,513. After submission of the Executive Proposed Budget, more current Consumer Price Index (CPI) information became available. The September-to-September CPI percentage change is the figure historically utilized by the County to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information

PHYSICAL ENVIRONMENT PROGRAM PLAN

necessitated increasing COLA funding from the proposed level of 3.45% to 4.66%. For this agency's budget, this represents an additional \$14,513 in the 2006 budget.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Equipment Rental and Revolving 5570/0750

Code/	Item	Description	Expenditures	FTEs *	TLTs	
Program Area			2005 Adopted	10,987,809	55.00	0.00
PE			Status Quo **	(534,708)	0.00	0.00
Status Quo Budget			10,453,101	55.00	0.00	
Council Change						
CC39		Increase Cola Increment by 1.21% to 4.66%	42,915	0.00	0.00	
			42,915	0.00	0.00	
Equipment Purchase Adjustment						
RB01		Equipment Replacement Adjustment	(843,097)	0.00	0.00	
			(843,097)	0.00	0.00	
Technical Adjustment						
RB02		Operating & Maintenance Program - Vehicles/Equipment	164,910	0.00	0.00	
RB03		Personal Property and Fixed Asset Data Management Section	(296)	0.00	0.00	
CR01		Flexible Benefits	(40,920)	0.00	0.00	
CR05		Current Expense Overhead Adjustment	5,623	0.00	0.00	
CR06		Healthy Workplace Fund	1,375	0.00	0.00	
CR07		Technology Services Operations & Maintenance Charge	(1,160)	0.00	0.00	
CR08		Technology Services Infrastructure Charge	(1,137)	0.00	0.00	
CR11		Telecommunications Services	(719)	0.00	0.00	
CR12		Telecommunications Overhead	163	0.00	0.00	
CR13		Motor Pool Usage Charge	(18,806)	0.00	0.00	
CR14		Facilities Management Space Charge	31,254	0.00	0.00	
CR15		Insurance Charges	(19,036)	0.00	0.00	
CR16		Radio Access	177	0.00	0.00	
CR19		Radio Reserve Program	(50)	0.00	0.00	
CR21		Debt Service Adjustment	18	0.00	0.00	
CR22		Long Term Leases	85,127	0.00	0.00	
CR25		Financial Services Charge	(1,106)	0.00	0.00	
CR27		Industrial Insurance Rate Adj.	(6,466)	0.00	0.00	
CR36		Property Services Lease Administration Fee	42	0.00	0.00	
CR39		COLA Adjustment	39,452	0.00	0.00	
CR46		Countywide Strategic Technology Projects	3,088	0.00	0.00	
			241,533	0.00	0.00	
2006 Adopted Budget			9,894,452	55.00	0.00	
% Change over Adopted			-9.95%			

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Public Works ER&R Fund

The total 2006 Executive Proposed Budget for the Public Works ER&R appropriation unit is \$9,851,537 and is staffed by 55 FTEs

Equipment Purchase Adjustments

Equipment Replacement Adjustment – (\$843,097). The budget authority necessary to replace vehicles in 2006 will decrease by \$843,097 from the previous estimate. While agency contributions to this fund are relatively consistent from year to year, the amount of budget authority necessary to purchase vehicles may vary considerably on an annual basis. This variability is a function of the number of vehicles that reach the end of their life cycle in any particular year.

Technical Adjustments

Fleet Operations and Maintenance – \$164,910. Proposed adjustments to a variety of non-labor accounts including a one-time inter-fund transfer to Motor Pool ER&R. The transfer represents the Public Works ER&R Fund proportionate share of the tenant improvement costs at the Orcas Street building Motor Pool Maintenance Shop.

Personal Property and Fixed Asset Data Management Adjustment – (\$296). This proposed budget adjustment improves the budget accuracy for a series of miscellaneous non-labor accounts.

Central Rates - \$76,919. There is a net budget increase of \$76,919 for central rates charged to the Public Works ER&R Fund. Decreases in Flex Benefits, Motor Pool Usage and Insurance charges are offset by increases in Long Term Leases, COLA and the Facilities Space Charge. Space charges for the Surplus Property group are increasing due to the move from the Graybar Building to the Orcas Street facility.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Public Works Equipment Rental Revolving / Fund 5570

	2004 Actual ¹	2005 Adopted	2005 Estimated ²	2006 Adopted	2007 Projected ³	2008 Projected ³
Beginning Fund Balance	10,278,278	7,340,849	11,581,091	6,699,385	4,979,345	3,567,946
Revenues						
* Sales of Stores & Materials	625,113	480,980	480,980	587,262	604,879	623,026
* Investment Interest	235,392	105,790	105,790	156,545	110,794	76,206
* Sale of Equipment	356,554	568,717	568,717	246,786	268,142	252,913
* Other Miscellaneous Revenues	413,225	198,847	198,847	198,847	208,789	219,229
* Vehicle Rental Revenues	5,876,337	6,132,208	6,132,208	6,364,405	6,852,059	7,419,728
* Personal Property & Fixed Assets Revenues	281,341	482,553	482,553	620,566	639,183	658,359
Total Revenues	7,787,962	7,969,095	7,969,095	8,174,411	8,683,848	9,249,460
Expenditures						
* Operating and Maintenance	(4,545,721)	(6,675,452)	(6,832,452)	(7,150,637)	(7,146,768)	(7,302,660)
* Capital Equipment Replacement	(1,218,463)	(2,899,646)	(2,899,646)	(2,056,549)	(2,234,519)	(2,107,605)
* Debt Service - Core Financial	(58,515)	(50,908)	(50,908)	(50,908)	(58,511)	(58,529)
* Personal Property & Fixed Assets	(607,590)	(581,373)	(581,373)	(636,358)	(655,448)	(675,112)
* 2004-2005 Carryover Encumbrances			(2,486,422)			
Total Expenditures	(6,430,289)	(10,207,379)	(12,850,801)	(9,894,452)	(10,095,246)	(10,143,905)
Estimated Underexpenditures						
Other Fund Transactions						
* Other Financial Transactions(per Loren Burt)	(54,859)					
* Rebate to Roads		(780,430)				
Total Other Fund Transactions	(54,859)	(780,430)				
Ending Fund Balance	11,581,092	4,322,135	6,699,385	4,979,345	3,567,946	2,673,501
Reserves & Designations						
* Allowance for Inventory	(1,192,836)	(1,402,924)	(1,402,924)	(1,445,012)	(1,488,362)	(1,533,013)
* Contingency for Capital Improvement	(241,363)	(239,073)	(239,073)	(245,232)	(260,515)	(277,484)
* 2004-2005 Carryover Encumbrances	(2,486,422)					
Total Reserves & Designations	(3,920,621)	(1,641,997)	(1,641,997)	(1,690,244)	(1,748,877)	(1,810,497)
Ending Undesignated Fund Balance	7,660,471	2,680,138	5,057,388	3,289,101	1,819,069	863,004
Projected Fleet Replacement Cost (PFRC)	31,048,207	31,204,802	31,204,802	29,519,257	30,109,642	30,711,835
Percent of Proj. Fleet Repl. Cost	25%	9%	16%	11%	6%	3%
Target Fund Balance - 10% of PFRC ⁴	3,104,821	3,120,480	3,120,480	2,951,926	3,010,964	3,071,183
Target Fund Balance - 20% of PFRC	6,209,641	6,240,960	6,240,960	5,903,851	6,021,928	6,142,367

Financial Plan Notes:

¹ 2004 Actuals are from the 2004 CAFR.

² 2005 Estimated is based on annualized revenue & expenditure report.

a) 2005 Estimated "Operating and Maintenance" expenditure includes \$157,000 supplemental request for increased fuel prices

³ 2007 and 2008 Projected are based on the following assumptions:

a) Assumes 3.25% annual percentage rate on investment earnings.

b) Assumes sale of equipment is 12% of annual capital expenditures.

c) Assumes 3% annual increase in miscellaneous revenues as well as in operating and maintenance costs.

d) Capital expenditures are based on replacement schedule based on established replacement standards for each type of vehicle.

e) Allowance for inventory is equal to inventory value at the beginning of each year per CAFR. Estimated to increase 3% per year.

f) Contingency for capital improvement is estimated at 3% of annual revenues.

⁴ Target Fund Balance, as recommended by the County Auditor, is equal to a range of 10% to 20% of the Projected Replacement Cost of the Fleet (PFRC).

C O U N C I L A D O P T E D B U D G E T

COLA Increase - \$42,915. After submission of the Executive Proposed Budget, more current Consumer Price Index (CPI) information became available. The September-to-September CPI percentage change is the figure historically utilized by the County to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated increasing COLA funding from the proposed level of 3.45% to 4.66%. For this agency's budget, this represents an additional \$42,915 in the 2006 budget.

Wastewater Equipment Rental and Revolving 5441/0137

Code/	Item	Description	Expenditures	FTEs *	TLTs	
Program Area			2005 Adopted	2,565,461	0.00	0.00
PE			Status Quo **	17,239	0.00	0.00
Status Quo Budget			2,582,700	0.00	0.00	
Equipment Purchase Adjustment						
RB01		Vehicle/Equipment Replacement Adjustment	(336,813)	0.00	0.00	
			(336,813)	0.00	0.00	
Technical Adjustment						
RB02		Operating & Maintenance Program - Vehicles/Equipment	295,672	0.00	0.00	
TA15		Revenue Increment	0	0.00	0.00	
CR05		Current Expense Overhead Adjustment	9	0.00	0.00	
CR15		Insurance Charges	(17,722)	0.00	0.00	
CR22		Long Term Leases	(863)	0.00	0.00	
CR25		Financial Services Charge	1,579	0.00	0.00	
CR36		Property Services Lease Administration Fee	26	0.00	0.00	
			278,701	0.00	0.00	
2006 Adopted Budget			2,524,588	0.00	0.00	
% Change over Adopted			-1.59%			

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Wastewater ER&R Fund

The total 2006 Executive Proposed budget for the Wastewater ER&R appropriation unit is \$2,524,588.

Revenue Backed Adjustments

Vehicle Equipment Replacement—(\$336,813). The budget authority necessary to replace vehicles in 2006 will decrease by \$336,813. While agency contributions to Wastewater ER&R are relatively consistent from year to year the amount of budget authority necessary to purchase vehicles may vary considerably on an annual basis. This variability is a function of the number of vehicles that reach the end of their life cycle in any particular year.

Operating & Maintenance Program— \$295,671. Proposed adjustments to a variety of non-labor accounts including a one-time inter-fund transfer to the Motor Pool ER&R fund. The transfer represents the Wastewater ER&R Fund's proportionate share of the tenant improvement costs at the Orcas Street building Motor Pool Maintenance Shop.

Central Rates Adjustment

Central Rates – (\$16,971). There is a net decrease to the Wastewater Equipment Repair and Replacement Fund due primarily to reduced Insurance charges.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Wastewater Equipment Rental Revolving / Fund 5441

	2004 Actual ¹	2005 Adopted	2005 Estimated ²	2006 Adopted	2007 Projected ³	2008 Projected ³
Beginning Fund Balance	4,507,644	3,962,258	4,769,092	3,842,236	3,135,359	3,461,957
Revenues						
* Investment Interest	100,386	72,643	72,643	118,719	117,355	127,611
* Sale of Equipment	58,591	357,676	357,676	142,208	91,086	92,260
* Other Miscellaneous Revenues	20,793	15,000	15,000	15,000	15,450	15,914
* Vehicle Rental Revenues	1,655,114	1,596,894	1,596,894	1,814,169	1,868,594	1,924,652
Total Revenues	1,834,884	2,042,213	2,042,213	2,090,096	2,092,485	2,160,436
Expenditures						
* Operating and Maintenance	(848,428)	(806,569)	(858,569)	(1,102,509)	(855,028)	(880,679)
* Capital Equipment Replacement	(723,608)	(1,758,892)	(1,758,892)	(1,422,079)	(910,859)	(922,596)
* 2004 - 2005 Carryover Encumbrances			(351,608)			
Total Expenditures	(1,572,036)	(2,565,461)	(2,969,069)	(2,524,588)	(1,765,887)	(1,803,275)
Estimated Underexpenditures						
Other Fund Transactions						
* Transfer of capital funds				(272,384)		
* Other Fund Transactions	(1,400)					
Total Other Fund Transactions	(1,400)	0	0	(272,384)	0	0
Ending Fund Balance	4,769,092	3,439,010	3,842,236	3,135,359	3,461,957	3,819,118
Reserves & Designations						
* Allowance for Inventory	(3,083)	(1,610)	(1,610)	(1,658)	(1,708)	(1,759)
* Contingency for Capital Improvement	(57,314)	(61,266)	(61,266)	(62,703)	(62,775)	(64,813)
* 2004-2005 Carryover Encumbrances	(351,608)					
Total Reserves & Designations	(412,005)	(62,876)	(62,876)	(64,361)	(64,483)	(66,572)
Ending Undesignated Fund Balance	4,357,087	3,376,134	3,779,360	3,070,998	3,397,475	3,752,546
Projected Fleet Replacement Cost (PFRC)	13,998,101	14,635,080	14,635,080	15,963,787	16,442,701	16,935,982
Percent of Proj. Fleet Repl. Cost	31%	23%	26%	19%	21%	22%
Target Fund Balance - 10% of PFRC ⁴	1,399,810	1,463,508	1,463,508	1,596,379	1,644,270	1,693,598
Target Fund Balance - 20% of PFRC	2,799,620	2,927,016	2,927,016	3,192,757	3,288,540	3,387,196

Financial Plan Notes:

¹ 2004 Actuals are from the 2004 CAFR.

² 2005 Estimated is based on annualized revenue and expenditure report.

a) 2005 Estimated "Operating and Maintenance" expenditure includes \$52,000 supplemental request for increased fuel prices

³ 2007 and 2008 Projected are based on the following assumptions:

a) Assumes 3.25% annual percentage rate on investment earnings.

b) Assumes sale of equipment is 10% of annual capital expenditures.

c) Assumes 3% annual increase in miscellaneous revenues as well as in operating and maintenance costs.

d) Capital expenditures are based on replacement schedule based on established replacement standards for each type of vehicle.

e) Contingency for capital improvement is estimated at 3% of annual revenues.

⁴ Target Fund Balance, as recommended by the County Auditor, is equal to a range of 10% to 20% of the Projected Replacement Cost of the Fleet (PFRC).

COUNCIL ADOPTED BUDGET

Council made no changes to the 2006 Executive Proposed Budget.

PHYSICAL ENVIRONMENT PROGRAM PLAN**Airport 4290/0710**

Code/	Item	Description	Expenditures	FTEs *	TLTs	
Program Area			2005 Adopted	10,860,027	48.00	0.00
PE			Status Quo **	435,088	0.00	0.00
Status Quo Budget			11,295,115	48.00	0.00	
Council Change						
CC39		Increase Cola Increment by 1.21% to 4.66%	37,710	0.00	0.00	
			37,710	0.00	0.00	
Technical Adjustment						
TA01		Increase Cost of FMD Custodial Services	72,407	0.00	0.00	
TA02		Increase Cost of DOT Director's Office Overhead	36,230	0.00	0.00	
CR01		Flexible Benefits	(35,712)	0.00	0.00	
CR05		Current Expense Overhead Adjustment	5,182	0.00	0.00	
CR06		Healthy Workplace Fund	1,200	0.00	0.00	
CR07		Technology Services Operations & Maintenance Charge	(15,345)	0.00	0.00	
CR08		Technology Services Infrastructure Charge	(7,304)	0.00	0.00	
CR09		Geographic Information Systems Charge	2,456	0.00	0.00	
CR11		Telecommunications Services	(350)	0.00	0.00	
CR12		Telecommunications Overhead	4,671	0.00	0.00	
CR15		Insurance Charges	59,696	0.00	0.00	
CR16		Radio Access	636	0.00	0.00	
CR19		Radio Reserve Program	(219)	0.00	0.00	
CR20		Prosecuting Attorney Civil Division Charge	(7,272)	0.00	0.00	
CR21		Debt Service Adjustment	3	0.00	0.00	
CR25		Financial Services Charge	18,353	0.00	0.00	
CR27		Industrial Insurance Rate Adj.	(5,085)	0.00	0.00	
CR39		COLA Adjustment	34,604	0.00	0.00	
CR46		Countywide Strategic Technology Projects	2,695	0.00	0.00	
			166,846	0.00	0.00	
2006 Adopted Budget			11,499,671	48.00	0.00	
% Change over Adopted			5.89%			

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

Proviso:

No later than March 31, 2006, the airport shall submit to the council a report on implementation of the Part 150 Noise Plan recommendations. The airport shall submit a follow-up report no later than June 30, 2006, with additional information and responses to any council policy recommendations. These reports shall be submitted in the form of 11 copies to the clerk of the council, who will keep the original and transmit copies to each councilmember and to the lead staff of the labor, operations and technology committee or its successor.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Airport Construction Transfer 4290/0716

Code/	Item	Description	Expenditures	FTEs *	TLTs
Program Area					
		<i>PE</i>			
		2005 Adopted	1,520,260	0.00	0.00
		Status Quo **	0	0.00	0.00
		Status Quo Budget	1,520,260	0.00	0.00
Technical Adjustment					
TA01		Operating Transfer to CIP	(1,250,260)	0.00	0.00
			(1,250,260)	0.00	0.00
		2006 Adopted Budget	270,000	0.00	0.00
		% Change over Adopted	-82.24%		

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

Airport

The King County International Airport's (KCIA) 2006 Proposed Operating Budget assumes that operations in 2006 will remain essentially the same as for 2005. The budget does not include any re-development proposals or major changes in operating structure, including the provision of Airport Rescue and Fire Fighting (ARFF) services. In order to keep pace with increased costs of basic operations, KCIA is proposing fee increases consistent with rates and charges at other comparable airports in the area. The Airport is also anticipating increases in lease revenues for non-Boeing leases. However, due to runway repair at the Airport, certain fee revenues will decrease, causing total Airport revenues to drop slightly from 2005. The Airport is anticipating a reversal of this revenue decline in 2007, once the runway repairs are complete.

Technical Adjustments

Custodial Services Adjustment -- \$72,407. This proposed budget adjustment is based on an increase in Facilities Management Division's (FMD) cost of providing custodial services to the Airport. This increase is based on a recalculation of the amount due to FMD from the Airport according to a full cost recovery model, including overhead. This recalculation takes increased direct costs, increased general and administrative costs and a discontinuance of Supported Employment subsidies into account.

Director's Office Allocation -- \$36,230. This adjustment is based on the 2006 DOT Director's Office costs to the DOT divisions (Transit, Road Services, Fleet and the Airport). The Airport is assigned roughly 6% of the Director's Office allocated costs.

Central Rate Adjustments -- \$58,209. The 17 central rates applicable to the Airport include reductions and increases that net to an increase of \$58,209. Central rate adjustments include: CX Overhead, ITS Infrastructure and O&M, Telecommunications Services and O&M, Finance, Insurance, Limited Tax Bond, PAO, OIRM, Industrial Insurance, Radio Equipment and Service, GIS O&M, Healthy Workplace Fund, COLA, and Flex Benefits.

PHYSICAL ENVIRONMENT PROGRAM PLAN

King County International Airport - 4290 / 0710

	2004 Actual	2005 Adopted	2005 Revised	2006 Adopted	2007 Projected	2008 Projected
Beginning Fund Balance	2,516,831	2,376,164	2,681,252	1,575,869	570,072	731,018
Revenues						
Operating	11,515,453	10,871,274	10,837,196	10,824,972	12,343,221	12,820,159
Interest ¹	130,912	98,952	109,200	60,779	38,795	48,146
Aircraft Pking Rev Transfer to Hush Hse	(229,724)	(139,278)	(139,278)	(146,118)	(149,044)	(152,024)
Total Revenues	11,416,641	10,830,948	10,807,118	10,739,633	12,232,972	12,716,281
Expenditures						
Operating Expenditures ²	(8,241,707)	(8,550,664)	(8,589,078)	(9,460,308)	(9,381,350)	(9,690,939)
Bond Debt Payments ³	(668,456)					
ARFF	(2,333,104)	(2,309,363)	(2,270,949)	(2,309,363)	(2,424,831)	(2,546,073)
Carryover Encumbrance			(23,506)			
1st Qtr Omnibus Ordinance			25,920			
3rd Qtr Omnibus Ordinance ⁴			(203,084)			
Total Expenditures	(11,243,267)	(10,860,027)	(11,060,697)	(11,769,671)	(11,806,181)	(12,237,012)
Estimated Underexpenditures		271,501	0	294,242	295,155	305,925
Other Fund Transactions						
Correction of 2004 Bond Debt Payment ⁵			668,456			
14 Month GL Adjustments	(8,953)					
Operating Transfer to CIP ⁶		(1,520,260)	(1,520,260)	(270,000)	(561,000)	(597,000)
Total Other Fund Transactions	(8,953)	(1,520,260)	(851,804)	(270,000)	(561,000)	(597,000)
Ending Fund Balance	2,681,252	1,098,326	1,575,869	570,072	731,018	919,213
Reserves & Designations						
Encumbrance	(23,506)					
Class Comp Reserve	(110,000)					
Total Reserves & Designations	(133,506)	0	0	0	0	0
Ending Undesignated Fund Balance	2,547,746	1,098,326	1,575,869	570,072	731,018	919,213
Target Fund Balance ⁷	1,141,664	1,083,095	1,080,712	1,073,963	1,223,297	1,271,628

Financial Plan Notes:

¹ Interest % based on KC Budget Office forecast

² Operating Expenditures based on Budget Office inflation factors and 5% for ARFF KCSO Contract

³ Bond debt payment erroneously paid out of operating fund instead of CIP fund

⁴ Assumes 3rd Qtr Omnibus Ordinance is adopted

⁵ Correction of 2004 Bond Debt payment erroneously paid out of operating fund instead of CIP fund

⁶ Operating Transfer to CIP based on 2005 adopted 6 year Non-cx & CIP financial plan

⁷ 10% of total revenue

C O U N C I L A D O P T E D B U D G E T

COLA Increase - \$37,710. After submission of the Executive Proposed Budget, more current Consumer Price Index (CPI) information became available. The September-to-September CPI percentage change is the figure historically utilized by the County to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated increasing COLA funding from the proposed level of 3.45% to 4.66%. For this agency's budget, this represents an additional \$37,710 in the 2006 budget.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Physical Environment CX Transfers 0010/0697

Code/	Item	Description	Expenditures	FTEs *	TLTs	
Program Area			2005 Adopted	5,775,121	0.00	0.00
PE			Status Quo **	233,743	0.00	0.00
Status Quo Budget			6,008,864	0.00	0.00	
Council Change						
CC01		Increase CX Transfer to DDES for Customer Surveys by	30,000	0.00	0.00	
CC02		Provide Revenue to Support and Increase in SWM Local	144,000	0.00	0.00	
CC39		Increase Cola Increment by 1.21% to 4.66%	53,406	0.00	0.00	
			227,406	0.00	0.00	
Expanded Service Delivery						
PC02		Fire Prevention Education	100,000	0.00	0.00	
			100,000	0.00	0.00	
Increased Efficiencies						
PC01		Code Enforcement Clerical Support Position	127,768	0.00	0.00	
			127,768	0.00	0.00	
Technical Adjustment						
PC03		Elevation of Fire Marshal to Division Director	4,321	0.00	0.00	
TA02		Negotiated Salary Increases - Code Enforcement	36,872	0.00	0.00	
TA03		Reduction of WLRD Transfer	(9,706)	0.00	0.00	
			31,487	0.00	0.00	
Transfer of Urban Park Assets and Annexation						
PC04		Parks Reduction	(404,042)	0.00	0.00	
			(404,042)	0.00	0.00	
2006 Adopted Budget			6,091,483	0.00	0.00	
% Change over Adopted			5.48%			

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Physical Environment General Fund Transfers

Expanded Service Delivery

Fire Prevention Education - \$100,000

Increased Efficiencies

Code Enforcement Clerical Support Position - \$127,768

Technical Adjustment

Elevation of Fire Marshal to Division Director - \$4,321

Negotiated Salary Increases – Code Enforcement - \$36,872

Reduction of WLRD Transfer – (\$9,706)

Transfer of Urban Park Assets

UGA Pools Transfers – (\$362,500).

Klahanie Annexation – (\$41,542).

C O U N C I L A D O P T E D B U D G E T

COLA Increase - \$53,406. After submission of the Executive Proposed Budget, more current Consumer Price Index (CPI) information became available. The September-to-September CPI percentage change is the figure historically utilized by the County to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated increasing COLA funding from the proposed level of 3.45% to 4.66%. For this agency's budget, this represents an additional \$53,406 in the 2006 budget.

Increase CX Transfer to DDES for Customer Surveys by Outside Consultants - \$30,000.

Provide Revenue to Support and Increase in SWM Local Drainage for the Puget Sounds Fresh Program - \$144,000.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Physical Environment Program Area

	2004 Adopted		2005 Adopted		2006 Adopted	
	Expenditures	FTEs	Expenditures	FTEs	Expenditures	FTEs
Development and Environmental Services						
DEVELOPMENT & ENVIRONMENT SVCS	30,940,462	241.50	29,846,796	235.50	31,344,762	234.50
	30,940,462	241.50	29,846,796	235.50	31,344,762	234.50
Natural Resources						
PARKS & RECREATION 2004 LEVY	19,356,220	159.93	20,534,400	155.01	20,888,426	149.06
WASTEWATER TREATMENT DIVISION	84,640,000	596.60	86,860,000	598.70	92,951,393	598.70
SW POST CLOSURE LF MAINT	6,416,590	0.00	3,148,029	1.00	4,683,229	1.00
RIVER IMPROVEMENT	4,454,083	11.50	4,199,573	12.50	4,100,111	11.50
SURFACE WATER MGT FUND	39,467,670	338.10	39,827,171	329.26	27,025,497	208.42
SWM LOCAL DRAINAGE SERVICES	4,477,848	0.00	4,331,854	0.00	22,055,911	112.90
NOXIOUS WEED FUND	1,097,324	6.00	1,172,602	6.00	1,264,459	11.36
YOUTH SPORTS FAC GRANT FUND	654,451	1.00	934,490	1.00	1,062,410	1.00
INTERCOUNTY RIVER IMPROVEMENT	48,849	0.00	124,925	0.00	52,985	0.00
SOLID WASTE OPERATING	90,882,077	405.43	89,455,062	433.80	96,916,619	442.40
DNRP GIS INTERNAL SVC FUND	3,398,884	31.00	3,531,863	31.00	3,759,576	31.00
	254,893,996	1,549.56	254,119,969	1,568.27	274,760,616	1,567.34
Transportation						
STORMWATER DECANT PRGM	514,818	0.00	517,355	0.00	527,868	0.00
ROADS	63,955,707	596.70	66,439,373	584.70	71,323,202	577.21
PUBLIC TRANSPORTATION	346,469,837	3,705.69	366,183,944	3,740.43	472,157,681	3,808.10
AIRPORT	11,287,595	52.50	10,860,027	48.00	11,499,671	48.00
TRANSIT REVENUE FLEET REPL	13,270,763	0.00	9,321,375	0.00	2,837,421	0.00
WTR POLUTN CNTRL EQPT	2,322,418	0.00	2,565,461	0.00	2,524,588	0.00
PUBLIC WORKS EQUIP RENTAL	10,535,780	54.00	10,987,809	55.00	9,894,452	55.00
MOTOR POOL EQUIP RENTAL	9,099,399	21.00	10,019,005	21.00	9,952,888	21.00
	457,456,317	4,429.89	476,894,349	4,449.13	580,717,771	4,509.31
Total Physical Environment	743,290,775	6,220.95	760,861,114	6,252.90	886,823,149	6,311.15